
SENATE BILL 6659

State of Washington 57th Legislature 2002 Regular Session

By Senators Haugen, Jacobsen and Fairley; by request of Governor Locke

Read first time 01/24/2002. Referred to Committee on Transportation.

1 AN ACT Relating to transportation financing; amending RCW
2 46.16.0621, 46.16.070, 46.68.035, 46.16.071, 82.08.020, 82.12.020,
3 82.12.045, 82.38.030, 82.38.035, 82.38.045, 82.38.047, and 82.38.075;
4 reenacting and amending RCW 46.68.090 and 82.36.025; adding a new
5 section to chapter 46.04 RCW; and providing an effective date.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 **Sec. 1.** RCW 46.16.0621 and 2000 1st sp.s. c 1 s 1 are each amended
8 to read as follows:

9 (1) License tab fees shall be thirty dollars per year for motor
10 vehicles, regardless of year, value, make, or model, beginning January
11 1, 2000.

12 (2) For the purposes of this section, "license tab fees" are
13 defined as the general fees paid annually for licensing motor vehicles,
14 including cars, sport utility vehicles, and motorcycles(~~(, and motor~~
15 ~~homes)~~)).

16 NEW SECTION. **Sec. 2.** A new section is added to chapter 46.04 RCW
17 to read as follows:

1 "Gross weight portion of the current combined licensing fees" means
 2 the amounts listed in RCW 46.16.070, Schedule A, less twenty-five
 3 dollars and seventy-five cents, and the amounts listed in Schedule B,
 4 less twenty-five dollars and seventy-five cents and less an additional
 5 ninety dollars if the requested gross weight is over forty thousand
 6 pounds.

7 **Sec. 3.** RCW 46.16.070 and 1994 c 262 s 8 are each amended to read
 8 as follows:

9 (1) In lieu of all other vehicle licensing fees, unless
 10 specifically exempt, and in addition to (~~the excise tax prescribed in~~
 11 ~~chapter 82.44 RCW and~~)) the mileage fees prescribed for buses and
 12 stages in RCW 46.16.125, there shall be paid and collected annually for
 13 each truck, motor truck, truck tractor, road tractor, tractor, bus,
 14 auto stage, motor home, or for hire vehicle with seating capacity of
 15 more than six, based upon the declared combined gross weight or
 16 declared gross weight (~~thereof pursuant to the provisions of~~) under
 17 chapter 46.44 RCW, the following licensing fees by such gross weight:

18	DECLARED GROSS WEIGHT	SCHEDULE A	SCHEDULE B
19	4,000 lbs.	\$ 37.00	\$ 37.00
20	6,000 lbs.	\$ 44.00	\$ 44.00
21	8,000 lbs.	\$ 55.00	\$ 55.00
22	10,000 lbs.	\$ 62.00	\$ 62.00
23	12,000 lbs.	\$ 72.00	\$ 72.00
24	14,000 lbs.	\$ 82.00	\$ 82.00
25	16,000 lbs.	\$ 92.00	\$ 92.00
26	18,000 lbs.	\$ 137.00	\$ 137.00
27	20,000 lbs.	\$ 152.00	\$ 152.00
28	22,000 lbs.	\$ 164.00	\$ 164.00
29	24,000 lbs.	\$ 177.00	\$ 177.00
30	26,000 lbs.	\$ 187.00	\$ 187.00
31	28,000 lbs.	\$ 220.00	\$ 220.00
32	30,000 lbs.	\$ 253.00	\$ 253.00
33	32,000 lbs.	\$ 304.00	\$ 304.00
34	34,000 lbs.	\$ 323.00	\$ 323.00
35	36,000 lbs.	\$ 350.00	\$ 350.00
36	38,000 lbs.	\$ 384.00	\$ 384.00
37	40,000 lbs.	\$ 439.00	\$ 439.00
38	42,000 lbs.	\$ 456.00	\$ 546.00
39	44,000 lbs.	\$ 466.00	\$ 556.00
40	46,000 lbs.	\$ 501.00	\$ 591.00
41	48,000 lbs.	\$ 522.00	\$ 612.00
42	50,000 lbs.	\$ 566.00	\$ 656.00

1	52,000 lbs.	\$ 595.00	\$ 685.00
2	54,000 lbs.	\$ 642.00	\$ 732.00
3	56,000 lbs.	\$ 677.00	\$ 767.00
4	58,000 lbs.	\$ 704.00	\$ 794.00
5	60,000 lbs.	\$ 750.00	\$ 840.00
6	62,000 lbs.	\$ 804.00	\$ 894.00
7	64,000 lbs.	\$ 822.00	\$ 912.00
8	66,000 lbs.	\$ 915.00	\$ 1,005.00
9	68,000 lbs.	\$ 954.00	\$ 1,044.00
10	70,000 lbs.	\$ 1,027.00	\$ 1,117.00
11	72,000 lbs.	\$ 1,098.00	\$ 1,188.00
12	74,000 lbs.	\$ 1,193.00	\$ 1,283.00
13	76,000 lbs.	\$ 1,289.00	\$ 1,379.00
14	78,000 lbs.	\$ 1,407.00	\$ 1,497.00
15	80,000 lbs.	\$ 1,518.00	\$ 1,608.00
16	82,000 lbs.	\$ 1,623.00	\$ 1,713.00
17	84,000 lbs.	\$ 1,728.00	\$ 1,818.00
18	86,000 lbs.	\$ 1,833.00	\$ 1,923.00
19	88,000 lbs.	\$ 1,938.00	\$ 2,028.00
20	90,000 lbs.	\$ 2,043.00	\$ 2,133.00
21	92,000 lbs.	\$ 2,148.00	\$ 2,238.00
22	94,000 lbs.	\$ 2,253.00	\$ 2,343.00
23	96,000 lbs.	\$ 2,358.00	\$ 2,448.00
24	98,000 lbs.	\$ 2,463.00	\$ 2,553.00
25	100,000 lbs.	\$ 2,568.00	\$ 2,658.00
26	102,000 lbs.	\$ 2,673.00	\$ 2,763.00
27	104,000 lbs.	\$ 2,778.00	\$ 2,868.00
28	105,500 lbs.	\$ 2,883.00	\$ 2,973.00

29 Schedule A applies to vehicles either used exclusively for hauling
30 logs or that do not tow trailers. Schedule B applies to vehicles that
31 tow trailers and are not covered under Schedule A.

32 (2) Every truck, motor truck, truck tractor, and tractor exceeding
33 6,000 pounds empty scale weight registered under chapter 46.16, 46.87,
34 or 46.88 RCW shall be licensed for not less than one hundred fifty
35 percent of its empty weight unless the amount would be in excess of the
36 legal limits prescribed for such a vehicle in RCW 46.44.041 or
37 46.44.042, in which event the vehicle shall be licensed for the maximum
38 weight authorized for such a vehicle or unless the vehicle is used only
39 for the purpose of transporting any well drilling machine, air
40 compressor, rock crusher, conveyor, hoist, donkey engine, cook house,
41 tool house, bunk house, or similar machine or structure attached to or
42 made a part of such vehicle.

1 (3) Beginning with all motor vehicle registrations that are due or
2 become due on July 1, 2002, and thereafter, there will be paid and
3 collected annually a twenty-percent surcharge on the gross weight
4 portion of the current combined licensing fees.

5 (4) The following provisions apply when increasing gross or
6 combined gross weight for a vehicle licensed under this section:

7 (a) The new license fee will be one-twelfth of the fee listed above
8 for the new gross weight, multiplied by the number of months remaining
9 in the period for which licensing fees have been paid, including the
10 month in which the new gross weight is effective.

11 (b) Upon surrender of the current certificate of registration or
12 cab card, the new licensing fees due shall be reduced by the amount of
13 the licensing fees previously paid for the same period for which new
14 fees are being charged.

15 ~~((+2))~~ (5) The proceeds from the fees collected under ~~((subsection~~
16 ~~(1) of))~~ this section shall be distributed in accordance with RCW
17 46.68.035.

18 **Sec. 4.** RCW 46.68.035 and 2000 2nd sp.s. c 4 s 8 are each amended
19 to read as follows:

20 All proceeds from combined vehicle licensing fees received by the
21 director for vehicles licensed under RCW 46.16.070 and 46.16.085 shall
22 be forwarded to the state treasurer to be distributed into accounts
23 according to the following method:

24 (1) The sum of two dollars for each vehicle shall be deposited into
25 the multimodal transportation account, except that for each vehicle
26 registered by a county auditor or agent to a county auditor pursuant to
27 RCW 46.01.140, the sum of two dollars shall be credited to the current
28 county expense fund.

29 (2) The proceeds from the surcharge collected under RCW
30 46.16.070(3) must be deposited into the motor vehicle fund.

31 (3) All fees collected under RCW 46.16.070(1) for motor homes, less
32 the distribution required under subsection (1) of this section, must be
33 deposited into the motor vehicle fund.

34 (4) The remainder shall be distributed as follows:

35 (a) 23.677 percent shall be deposited into the state patrol highway
36 account of the motor vehicle fund;

37 (b) 1.521 percent shall be deposited into the Puget Sound ferry
38 operations account of the motor vehicle fund; and

1 (c) The remaining proceeds shall be deposited into the motor
2 vehicle fund.

3 **Sec. 5.** RCW 46.16.071 and 1996 c 315 s 4 are each amended to read
4 as follows:

5 (1) In addition to the fees set forth in RCW 46.16.070, there shall
6 be paid and collected annually upon registration, a fee of one dollar
7 for each motor home, truck, motor truck, truck tractor, road tractor,
8 tractor, bus, auto stage, or for hire vehicle with seating capacity of
9 more than six, notwithstanding the provisions of RCW 46.16.070.

10 (2) In addition to the fees set forth in RCW 46.16.085, there shall
11 be paid and collected annually upon registration, a fee of one dollar
12 for each trailer, semitrailer, and pole trailer, notwithstanding the
13 provisions of RCW 46.16.085.

14 (3) The proceeds from the fees collected under subsections (1) and
15 (2) of this section shall be deposited into the highway safety fund,
16 except that for each vehicle registered by a county auditor or agent to
17 a county auditor under RCW 46.01.140, the proceeds shall be credited to
18 the current county expense fund.

19 **Sec. 6.** RCW 46.68.090 and 1999 c 269 s 2 and 1999 c 94 s 6 are
20 each reenacted and amended to read as follows:

21 (1) All moneys that have accrued or may accrue to the motor vehicle
22 fund from the motor vehicle fuel tax and special fuel tax shall be
23 first expended for purposes enumerated in (a) and (b) of this
24 subsection. The remaining net tax amount shall be distributed monthly
25 by the state treasurer in ~~((the proportions set forth in (c) through~~
26 ~~(+)))~~ accordance with subsections (2) and (3) of this ~~((subsection))~~
27 section.

28 (a) For payment of refunds of motor vehicle fuel tax and special
29 fuel tax that has been paid and is refundable as provided by law;

30 (b) For payment of amounts to be expended pursuant to
31 appropriations for the administrative expenses of the offices of state
32 treasurer, state auditor, and the department of licensing of the state
33 of Washington in the administration of the motor vehicle fuel tax and
34 the special fuel tax, which sums shall be distributed monthly~~((+))~~.

35 (2) All of the remaining net tax amount collected under RCW
36 82.36.025(1) and 82.38.030(1) shall be distributed as set forth in (a)
37 through (j) of this subsection.

1 ~~((e))~~ (a) For distribution to the motor vehicle fund ~~((an amount~~
2 ~~equal to 44.387 percent))~~ to be expended for highway purposes of the
3 state as defined in RCW 46.68.130, the following amounts:

4 (i) 44.387 percent of the net tax amount collected under RCW
5 82.36.025(1); and

6 (ii) 100 percent of the net tax amount collected under RCW
7 82.36.025 (2), (3), and (4) and 82.38.030(2);

8 ~~((d))~~ (b) For distribution to the special category C account,
9 hereby created in the motor vehicle fund, an amount equal to 3.2609
10 percent of the net tax amount collected under RCW 82.36.025(1) to be
11 expended for special category C projects. Special category C projects
12 are category C projects that, due to high cost only, will require bond
13 financing to complete construction.

14 The following criteria, listed in order of priority, shall be used
15 in determining which special category C projects have the highest
16 priority:

17 (i) Accident experience;

18 (ii) Fatal accident experience;

19 (iii) Capacity to move people and goods safely and at reasonable
20 speeds without undue congestion; and

21 (iv) Continuity of development of the highway transportation
22 network.

23 Moneys deposited in the special category C account in the motor
24 vehicle fund may be used for payment of debt service on bonds the
25 proceeds of which are used to finance special category C projects under
26 this subsection ~~((1)(d))~~ (2)(b);

27 ~~((e))~~ (c) For distribution to the Puget Sound ferry operations
28 account in the motor vehicle fund an amount equal to 2.3283 percent of
29 the net tax amount collected under RCW 82.36.025(1);

30 ~~((f))~~ (d) For distribution to the Puget Sound capital
31 construction account in the motor vehicle fund an amount equal to
32 2.3726 percent of the net tax amount collected under RCW 82.36.025(1);

33 ~~((g))~~ (e) For distribution to the urban arterial trust account in
34 the motor vehicle fund an amount equal to 7.5597 percent of the net tax
35 amount collected under RCW 82.36.025(1);

36 ~~((h))~~ (f) For distribution to the transportation improvement
37 account in the motor vehicle fund an amount equal to 5.6739 percent of
38 the net tax amount collected under RCW 82.36.025(1) and expended in
39 accordance with RCW 47.26.086;

1 (~~(i)~~) (g) For distribution to the cities and towns from the motor
2 vehicle fund an amount equal to 10.6961 percent of the net tax amount
3 collected under RCW 82.36.025(1) in accordance with RCW 46.68.110;

4 (~~(j)~~) (h) For distribution to the counties from the motor vehicle
5 fund an amount equal to 19.2287 percent of the net tax amount collected
6 under RCW 82.36.025(1): (i) Out of which there shall be distributed
7 from time to time, as directed by the department of transportation,
8 those sums as may be necessary to carry out the provisions of RCW
9 47.56.725; and (ii) less any amounts appropriated to the county road
10 administration board to implement the provisions of RCW 47.56.725(4),
11 with the balance of such county share to be distributed monthly as the
12 same accrues for distribution in accordance with RCW 46.68.120;

13 (~~(k)~~) (i) For distribution to the county arterial preservation
14 account, hereby created in the motor vehicle fund an amount equal to
15 1.9565 percent of the net tax amount collected under RCW 82.36.025(1).
16 These funds shall be distributed by the county road administration
17 board to counties in proportions corresponding to the number of paved
18 arterial lane miles in the unincorporated area of each county and shall
19 be used for improvements to sustain the structural, safety, and
20 operational integrity of county arterials. The county road
21 administration board shall adopt reasonable rules and develop policies
22 to implement this program and to assure that a pavement management
23 system is used;

24 (~~(l)~~) (j) For distribution to the rural arterial trust account in
25 the motor vehicle fund an amount equal to 2.5363 percent of the net tax
26 amount collected under RCW 82.36.025(1) and expended in accordance with
27 RCW 36.79.020.

28 (~~(2)~~) (3) All of the remaining net tax amount collected under RCW
29 82.36.025 (2), (3), and (4) and 82.38.030 (2), (3), and (4) shall be
30 deposited into the motor vehicle fund.

31 (4) Nothing in this section or in RCW 46.68.130 may be construed so
32 as to violate any terms or conditions contained in any highway
33 construction bond issues now or hereafter authorized by statute and
34 whose payment is by such statute pledged to be paid from any excise
35 taxes on motor vehicle fuel and special fuels.

36 **Sec. 7.** RCW 82.08.020 and 2000 2nd sp.s. c 4 s 1 are each amended
37 to read as follows:

1 (1) There is levied and there shall be collected a tax on each
2 retail sale in this state equal to six and five-tenths percent of the
3 selling price.

4 (2) There is levied and there shall be collected an additional tax
5 on each retail car rental, regardless of whether the vehicle is
6 licensed in this state, equal to five and nine-tenths percent of the
7 selling price. The revenue collected under this subsection shall be
8 deposited in the multimodal transportation account created in RCW
9 47.66.070.

10 (3) Beginning July 1, 2002, and through June 30, 2003, there is
11 levied and collected an additional tax of one percent of the selling
12 price on each retail sale of a motor vehicle in this state, other than
13 retail car rentals taxed under subsection (2) of this section.

14 (4) Beginning July 1, 2003, there is levied and collected an
15 additional tax of one and one-half percent of the selling price on each
16 retail sale of a motor vehicle in this state, other than car rentals
17 taxed under subsection (2) of this section.

18 (5) For purposes of subsections (3) and (4) of this section, "motor
19 vehicle" has the meaning provided in RCW 46.04.320, but does not
20 include farm tractors or farm vehicles as defined in RCW 46.04.180 and
21 46.04.181, off-road and nonhighway vehicles as defined in RCW
22 46.09.020, and snowmobiles as defined in RCW 46.10.010.

23 (6) The revenue collected under subsections (3) and (4) of this
24 section must be deposited into the multimodal transportation account
25 created in RCW 47.66.070.

26 (7) The taxes imposed under this chapter shall apply to successive
27 retail sales of the same property.

28 ((+4)) (8) The rates provided in this section apply to taxes
29 imposed under chapter 82.12 RCW as provided in RCW 82.12.020.

30 **Sec. 8.** RCW 82.12.020 and 1999 c 358 s 9 are each amended to read
31 as follows:

32 (1) There is hereby levied and there shall be collected from every
33 person in this state a tax or excise for the privilege of using within
34 this state as a consumer: (a) Any article of tangible personal
35 property purchased at retail, or acquired by lease, gift, repossession,
36 or bailment, or extracted or produced or manufactured by the person so
37 using the same, or otherwise furnished to a person engaged in any
38 business taxable under RCW 82.04.280 (2) or (7); or (b) any canned

1 software, regardless of the method of delivery, but excluding canned
2 software that is either provided free of charge or is provided for
3 temporary use in viewing information, or both.

4 (2) This tax shall apply to the use of every service defined as a
5 retail sale in RCW 82.04.050(3)(a) and the use of every article of
6 tangible personal property, including property acquired at a casual or
7 isolated sale, and including byproducts used by the manufacturer
8 thereof, except as hereinafter provided, irrespective of whether the
9 article or similar articles are manufactured or are available for
10 purchase within this state.

11 (3) Except as provided in RCW 82.12.0252, payment by one purchaser
12 or user of tangible personal property or service of the tax imposed by
13 chapter 82.08 or 82.12 RCW shall not have the effect of exempting any
14 other purchaser or user of the same property or service from the taxes
15 imposed by such chapters.

16 (4) The tax shall be levied and collected in an amount equal to the
17 value of the article used by the taxpayer multiplied by the rates in
18 effect for the retail sales tax under RCW 82.08.020.

19 **Sec. 9.** RCW 82.12.045 and 1996 c 149 s 19 are each amended to read
20 as follows:

21 (1) In the collection of the use tax on motor vehicles, the
22 department of revenue may designate the county auditors of the several
23 counties of the state as its collecting agents. Upon such designation,
24 it shall be the duty of each county auditor to collect the tax at the
25 time an applicant applies for the registration of, and transfer of
26 title to, the motor vehicle, except in the following instances:

27 (a) Where the applicant exhibits a dealer's report of sale showing
28 that the retail sales tax has been collected by the dealer;

29 (b) Where the application is for the renewal of registration;

30 (c) Where the applicant presents a written statement signed by the
31 department of revenue, or its duly authorized agent showing that no use
32 tax is legally due; or

33 (d) Where the applicant presents satisfactory evidence showing that
34 the retail sales tax or the use tax has been paid by ~~((him))~~ the
35 applicant on the vehicle in question.

36 (2) The term "motor vehicle," as used in this section means and
37 includes all motor vehicles, trailers and semitrailers used, or of a
38 type designed primarily to be used, upon the public streets and

1 highways, for the convenience or pleasure of the owner, or for the
2 conveyance, for hire or otherwise, of persons or property, including
3 fixed loads, facilities for human habitation, and vehicles carrying
4 exempt licenses.

5 (3) It shall be the duty of every applicant for registration and
6 transfer of certificate of title who is subject to payment of tax under
7 this section to declare upon (~~(his)~~) the application the value of the
8 vehicle for which application is made, which shall consist of the
9 consideration paid or contracted to be paid therefor.

10 (4) Each county auditor who acts as agent of the department of
11 revenue shall at the time of remitting license fee receipts on motor
12 vehicles subject to the provisions of this section pay over and account
13 to the state treasurer for all use tax revenue collected under this
14 section, after first deducting as (~~(his)~~) a collection fee the sum of
15 two dollars for each motor vehicle upon which the tax has been
16 collected. All revenue received by the state treasurer under this
17 section shall be credited to the general fund. The auditor's
18 collection fee shall be deposited in the county current expense fund.
19 A duplicate of the county auditor's transmittal report to the state
20 treasurer shall be forwarded forthwith to the department of revenue.

21 (5) Any applicant who has paid use tax to a county auditor under
22 this section may apply to the department of revenue for refund thereof
23 if he or she has reason to believe that such tax was not legally due
24 and owing. No refund shall be allowed unless application therefor is
25 received by the department of revenue within the statutory period for
26 assessment of taxes, penalties, or interest prescribed by RCW
27 82.32.050(3). Upon receipt of an application for refund the department
28 of revenue shall consider the same and issue its order either granting
29 or denying it and if refund is denied the taxpayer shall have the right
30 of appeal as provided in RCW 82.32.170, 82.32.180 and 82.32.190.

31 (6) The provisions of this section shall be construed as cumulative
32 of other methods prescribed in chapters 82.04 to 82.32 RCW, inclusive,
33 for the collection of the tax imposed by this chapter. The department
34 of revenue shall have power to promulgate such rules as may be
35 necessary to administer the provisions of this section. Any duties
36 required by this section to be performed by the county auditor may be
37 performed by the director of licensing but no collection fee shall be
38 deductible by said director in remitting use tax revenue to the state
39 treasurer.

1 (7) The use tax revenue collected under RCW 82.08.020 (3) and (4)
2 will be deposited in the multimodal transportation account created in
3 RCW 47.66.070.

4 **Sec. 10.** RCW 82.36.025 and 1999 c 269 s 16 and 1999 c 94 s 29 are
5 each reenacted and amended to read as follows:

6 (1) A motor vehicle fuel tax rate of twenty-three cents per gallon
7 ((shall apply)) applies to the sale, distribution, or use of motor
8 vehicle fuel.

9 (2) Beginning July 1, 2002, an additional and cumulative motor fuel
10 tax rate of three cents per gallon applies to the sale, distribution,
11 or use of motor vehicle fuel.

12 (3) Beginning July 1, 2003, an additional and cumulative motor
13 vehicle fuel tax rate of three cents per gallon applies to the sale,
14 distribution, or use of motor vehicle fuel.

15 (4) Beginning July 1, 2004, an additional and cumulative motor
16 vehicle fuel tax rate of three cents per gallon applies to the sale,
17 distribution, or use of motor vehicle fuel.

18 **Sec. 11.** RCW 82.38.030 and 2001 c 270 s 6 are each amended to read
19 as follows:

20 (1) There is hereby levied and imposed upon special fuel users a
21 tax at the rate ((computed in the manner provided in RCW 82.36.025 on
22 each)) of twenty-three cents per gallon of special fuel, or each one
23 hundred cubic feet of compressed natural gas, measured at standard
24 pressure and temperature.

25 (2) Beginning July 1, 2002, an additional and cumulative tax rate
26 of six cents per gallon of special fuel, or each one hundred cubic feet
27 of compressed natural gas, measured at standard pressure and
28 temperature shall be imposed on special fuel users.

29 (3) Beginning July 1, 2003, an additional and cumulative special
30 fuel tax rate of three cents per gallon of special fuel, or each one
31 hundred cubic feet of compressed natural gas, measured at standard
32 pressure and temperature shall be imposed on special fuel users.

33 (4) Beginning July 1, 2004, an additional and cumulative special
34 fuel tax rate of three cents per gallon of special fuel, or each one
35 hundred cubic feet of compressed natural gas, measured at standard
36 pressure and temperature shall be imposed on special fuel users.

1 (5) The tax is imposed (~~(by subsection (1) of this section is~~
2 ~~imposed~~)) when:

3 (a) Special fuel is removed in this state from a terminal if the
4 special fuel is removed at the rack unless the removal is to a licensed
5 exporter for direct delivery to a destination outside of the state, or
6 the removal is to a special fuel distributor for direct delivery to an
7 international fuel tax agreement licensee under RCW 82.38.320;

8 (b) Special fuel is removed in this state from a refinery if either
9 of the following applies:

10 (i) The removal is by bulk transfer and the refiner or the owner of
11 the special fuel immediately before the removal is not a licensee; or

12 (ii) The removal is at the refinery rack unless the removal is to
13 a licensed exporter for direct delivery to a destination outside of the
14 state, or the removal is to a special fuel distributor for direct
15 delivery to an international fuel tax agreement licensee under RCW
16 82.38.320;

17 (c) Special fuel enters into this state for sale, consumption, use,
18 or storage if either of the following applies:

19 (i) The entry is by bulk transfer and the importer is not a
20 licensee; or

21 (ii) The entry is not by bulk transfer;

22 (d) Special fuel is sold or removed in this state to an unlicensed
23 entity unless there was a prior taxable removal, entry, or sale of the
24 special fuel;

25 (e) Blended special fuel is removed or sold in this state by the
26 blender of the fuel. The number of gallons of blended special fuel
27 subject to tax is the difference between the total number of gallons of
28 blended special fuel removed or sold and the number of gallons of
29 previously taxed special fuel used to produce the blended special fuel;

30 (f) Dyed special fuel is used on a highway, as authorized by the
31 internal revenue code, unless the use is exempt from the special fuel
32 tax;

33 (g) Special fuel purchased by an international fuel tax agreement
34 licensee under RCW 82.38.320 is used on a highway; and

35 (h) Special fuel is sold by a licensed special fuel supplier to a
36 special fuel distributor, special fuel importer, or special fuel
37 blender and the special fuel is not removed from the bulk transfer-
38 terminal system.

1 (~~(3)~~) (6) The tax imposed by this chapter, if required to be
2 collected by the licensee, is held in trust by the licensee until paid
3 to the department, and a licensee who appropriates or converts the tax
4 collected to his or her own use or to any use other than the payment of
5 the tax to the extent that the money required to be collected is not
6 available for payment on the due date as prescribed in this chapter is
7 guilty of a felony, or gross misdemeanor in accordance with the theft
8 and anticipatory provisions of Title 9A RCW. A person, partnership,
9 corporation, or corporate officer who fails to collect the tax imposed
10 by this section, or who has collected the tax and fails to pay it to
11 the department in the manner prescribed by this chapter, is personally
12 liable to the state for the amount of the tax.

13 **Sec. 12.** RCW 82.38.035 and 2001 c 270 s 7 are each amended to read
14 as follows:

15 (1) A licensed supplier shall remit tax on special fuel to the
16 department as provided in RCW 82.38.030(~~(2)~~) (5)(a). On a two-party
17 exchange, or buy-sell agreement between two licensed suppliers, the
18 receiving exchange partner or buyer shall remit the tax.

19 (2) A refiner shall remit tax to the department on special fuel
20 removed from a refinery as provided in RCW 82.38.030(~~(2)~~) (5)(b).

21 (3) An importer shall remit tax to the department on special fuel
22 imported into this state as provided in RCW 82.38.030(~~(2)~~) (5)(c).

23 (4) A blender shall remit tax to the department on the removal or
24 sale of blended special fuel as provided in RCW 82.38.030(~~(2)~~)
25 (5)(e).

26 (5) A dyed special fuel user shall remit tax to the department on
27 the use of dyed special fuel as provided in RCW 82.38.030(~~(2)~~)
28 (5)(f).

29 **Sec. 13.** RCW 82.38.045 and 1998 c 176 s 54 are each amended to
30 read as follows:

31 A terminal operator is jointly and severally liable for remitting
32 the tax imposed under RCW 82.38.030(~~(1)~~) if, at the time of removal:

33 (1) The position holder with respect to the special fuel is a
34 person other than the terminal operator and is not a licensee;

35 (2) The terminal operator is not a licensee;

36 (3) The position holder has an expired internal revenue service
37 notification certificate issued under chapter 26, C.F.R. Part 48; or

1 (4) The terminal operator had reason to believe that information on
2 the notification certificate was false.

3 **Sec. 14.** RCW 82.38.047 and 1998 c 176 s 55 are each amended to
4 read as follows:

5 A terminal operator is jointly and severally liable for remitting
6 the tax imposed under RCW 82.38.030(~~((+1))~~) if, in connection with the
7 removal of special fuel that is not dyed or marked in accordance with
8 internal revenue service requirements, the terminal operator provides
9 a person with a bill of lading, shipping paper, or similar document
10 indicating that the special fuel is dyed or marked in accordance with
11 internal revenue service requirements.

12 **Sec. 15.** RCW 82.38.075 and 1983 c 212 s 1 are each amended to read
13 as follows:

14 In order to encourage the use of nonpolluting fuels, an annual
15 license fee in lieu of the tax imposed by RCW 82.38.030 shall be
16 imposed upon the use of natural gas as defined in this chapter or on
17 liquified petroleum gas, commonly called propane, which is used in any
18 motor vehicle, as defined in RCW 46.04.320, which shall be based upon
19 the following schedule as adjusted by the formula set out below:

20	VEHICLE TONNAGE (GVW)	FEE
21	0 - 6,000	\$ 45
22	6,001 - 10,000	\$ 45
23	10,001 - 18,000	\$ 80
24	18,001 - 28,000	\$110
25	28,001 - 36,000	\$150
26	36,001 and above	\$250

27 To determine the actual annual license fee imposed by this section
28 for a registration year, the appropriate dollar amount set out in the
29 above schedule shall be multiplied by the (~~(motor vehicle)~~) special
30 fuel tax rate in cents per gallon as established by RCW (~~((82.36.025))~~)
31 82.38.030 effective on July 1st of the preceding calendar year and the
32 product thereof shall be divided by 12 cents.

33 The department of licensing, in addition to the foregoing fee,
34 shall charge a further fee of five dollars as a handling charge for
35 each license issued.

1 The director of licensing shall be authorized to prorate the
2 vehicle tonnage fee so that the annual license required by this section
3 will correspond with the staggered vehicle licensing system.

4 A decal or other identifying device issued upon payment of these
5 annual fees shall be displayed as prescribed by the department as
6 authority to purchase this fuel.

7 Persons selling or dispensing natural gas or propane may not sell
8 or dispense this fuel for their own use or the use of others into tanks
9 of vehicles powered by this fuel which do not display a valid decal or
10 other identifying device as provided in this section.

11 Vehicles registered in jurisdictions outside the state of
12 Washington are exempt from this section.

13 Any person selling or dispensing natural gas or propane into the
14 tank of a motor vehicle powered by this fuel, except as prescribed in
15 this chapter, is subject to the penalty provisions of this chapter.

16 NEW SECTION. **Sec. 16.** This act takes effect July 1, 2002.

17 NEW SECTION. **Sec. 17.** If any provision of this act or its
18 application to any person or circumstance is held invalid, the
19 remainder of the act or the application of the provision to other
20 persons or circumstances is not affected.

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